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Michael K. Smith, Secretary

PRESS RELEASE

July 18, 2008

FOR IMMEDIATE RELEASE
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Montpelier, VT - Secretary of Administration Michael K. Smith Announces Fiscal Year 2008 Revenue Results For The State Of Vermont: General Fund Surpasses Fiscal Year 2008 Revenue Targets by \$9.87 million; Transportation and Education Fund Revenues Below Target for the Fiscal Year.

General Fund

Secretary of Administration Michael K. Smith today released General Fund revenue results for the final month of fiscal year 2008. End-of-year General Fund revenues totaled \$1,199.57 million, \$9.87 million above the cumulative General Fund revenue targets for FY2008. Secretary Smith noted, "Unlike many states struggling with general revenue fund deficits, Vermont ended the 2008 fiscal year with a revenue surplus. This is very good news. General Fund revenues, for the month of June, finished under -\$0.68 million or -0.63% below the consensus revenue target for the month, but revenue strength throughout the year was strong and contributed to the surplus."

The revenue targets reflect the most recent fiscal year 2008 Consensus Revenue Forecast that was agreed to by the Emergency Board in April. The State's Consensus Revenue Forecast is normally updated two times per year in January and July; this year, there was an additional meeting held in April. The next Emergency Board meeting is scheduled for July 29, 2008 at 2:30 p.m. in the Pavilion Building.

General Fund By Major Element (In Millions)*

Tax Component	YTD FY 2007	YTD FY 2008	% Change	June 2007	June 2008	% Change
Personal Income	581.18	622.06	7.03%	59.38	62.61	5.44%
Sales & Use	222.49	225.45	1.33%	18.26	17.63	-3.45%
Corporate	72.84	74.60	2.42%	13.39	11.52	-13.97%
Meals & Room	114.89	121.03	5.34%	8.23	8.63	4.86%
Insurance Premium	52.85	54.84	3.77%	-1.37	0.58	142.34%
Inheritance & Estate	17.80	15.68	-11.91%	0.35	0.36	2.86%
Real Property Transfer	12.85	10.75	-16.34%	1.40	0.50	-64.29%
Other	76.48	75.17	-1.71%	7.98	6.23	-21.93%
Total	1,151.37	1,199.57	4.19%	107.62	108.06	0.41%

*Differences due to rounding

The majority of the higher than projected, year-to-date, General Fund revenue can be traced to the two income taxes. The Personal Income Tax (+\$11.82 million or +1.94%) and the Corporate Tax (+\$1.70 million or +2.35%) both completed the fiscal year ahead of the year-to-date April consensus forecast. The Sales and Use Tax ended the fiscal year at \$225.45 million, which was -\$4.48 million or -1.95% below the yearly target, but up 1.33% from the prior year. The Rooms and Meals Tax ended the fiscal year at \$121.03 million, which was -\$1.67 million or -1.36% below the yearly target, but up 5.34% compared to the prior year.

Transportation Fund

Secretary Smith announced that the Transportation Fund finished the fiscal year at \$223.05 million, which was -\$3.14 million below the yearly target. Four out of the five major components of the Transportation Fund, including the Gasoline Tax, the Diesel Fuel Tax, the MV Purchase & Use Tax, and Other Fees were below their respective targets for the fiscal year. The Gasoline Tax ended the year at \$62.59 million, which was -0.18% below yearly targets. The Diesel Tax ended the year at \$16.59 million, which was -3.03% below yearly targets. The MV Purchase and Use Tax ended the year at \$52.69 million, which was -2.42% below yearly targets. Using reversions of carryforwards ensures ending the year without a deficit and with a full 5% Transportation Fund stabilization reserve. This fund finished the month of June 2008 at \$23.80 million, which is -\$1.67 million below the monthly revenue target.

Transportation Fund By Major Element (In Millions)*

Tax Component	YTD FY 2007	YTD FY 2008	% Change	June 2007	June 2008	% Change
Gasoline	63.59	62.59	-1.57%	5.70	5.38	-5.61%
Diesel Fuel	17.99	16.59	-7.78%	1.92	1.95	1.56%
MV Purchase & Use	53.74	52.69	-1.95%	6.84	6.13	-10.38%
Motor Vehicle Fees	65.43	67.54	3.22%	7.94	8.21	3.40%
Other	19.22	23.64	23.00%	2.53	2.13	-15.81%
Total	219.97	223.05	1.40%	24.93	23.80	-4.53%

*Differences due to rounding

Education Fund

Secretary Smith reported that the Education Fund cumulative revenue will finish the fiscal year at \$158.87 million, approximately -\$3.40 million or -2.09% below the cumulative revenue forecast of \$162.27 million for the fiscal year. As a result of expenditures coming in lower than anticipated, the Education Fund will end the year without a deficit and with a full 5% Education Fund stabilization reserve. The preliminary June non-property tax Education Fund revenue (which constitutes about 13% of total Education Fund receipts) was below expectations by -\$0.97 million.

Education Fund By Major Element (In Millions)*

Non-Property Tax Component	YTD FY 2007	YTD FY 2008	% Change	June 2007	June 2008	% Change
Sales & Use	111.24	112.72	1.33%	9.12	8.81	-3.07%
Purchase & Use	26.87	26.35	-1.94%	3.39	3.06	-9.73%
Lottery Transfer	23.29	21.17	-9.10%	3.35	2.15	-35.82%
Investment Income	-1.28	-1.37	6.78%	-0.15	-0.14	6.67%
Total	160.12	158.87	-0.77%	15.71	13.88	-11.65%

*Differences due to rounding

Conclusion

“Unlike many states, Vermont is very fortunate to end the fiscal year with a General Fund revenue surplus. The Transportation and Education Funds will also balance after final adjustments are made. All of these results will be considered very carefully by the Emergency Board when they meet later in July to review the State’s Consensus Revenue Forecast for Fiscal Year 2009,” noted Smith.

Note: Minor differences in figures are due to rounding.

Comparative Statement of Revenues
General Fund
As of June 30, 2008

General Fund Schedule 2 June

	Total to Date Last Year	Total to Date This Year	% of Change
Taxes			
Personal Income	581,188,879	622,061,326	7.0%
Sales & Use	222,490,082	225,450,457	1.3%
Corporate	72,843,020	74,604,511	2.4%
Meals & Room	114,892,087	121,034,261	5.3%
Liquor & Wine	13,685,915	14,191,807	3.7%
Insurance Premium	52,852,157	54,848,180	3.8%
Telephone Gross Receipts	537,204	369,821	-31.2%
Telephone Property	9,422,248	9,131,531	-3.1%
Beverage	5,517,860	5,620,162	1.9%
Electric Generating	2,631,403	2,719,186	3.3%
Inheritance & Estate	17,806,244	15,688,288	-11.9%
Real Property Transfer	12,845,137	10,745,671	-16.3%
Bank Franchise	10,519,312	10,162,956	-3.4%
All Other Taxes	6,478,003	3,169,647	-51.1%
Total Taxes	1,123,709,551	1,169,797,802	4.1%
Other Revenues			
Business Licenses	2,763,593	2,735,343	-1.0%
Fees	14,206,304	14,721,589	3.6%
Services	1,499,122	1,737,372	15.9%
Fines, Forfeits & Penalties	3,179,333	4,403,771	38.5%
Interest, Prem	4,898,624	5,555,621	13.4%
Special Assessments	76	0	-100.0%
All Other Revenues	1,114,866	623,016	-44.1%
Total Other Revenues	27,661,918	29,776,712	7.6%
Total General Fund	1,151,371,469	1,199,574,514	4.2%
 Dept of Corrections AR	 (57,297)	 (59,737)	

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: July 14, 2008

Time: 16:17

Attachment 2
Comparative Statement of Revenues
Transportation Fund
As of June 30, 2008

Sch 2 - Transp Fd Detail June

		Total to Date Last Year	Total to Date This Year	% of Change
Non-Dedicated				
Taxes				
Gasoline		63,596,644	62,589,140	-1.6%
Diesel Fuel		17,995,934	16,588,482	-7.8%
MV Purchase & Use		53,745,454	52,692,458	-2.0%
Total Taxes		135,338,032	131,870,080	-2.6%
Other Revenues				
Motor Vehicle Fees		65,439,275	67,541,443	3.2%
Other		19,190,646	23,644,485	23.2%
Total Other Revenues		84,629,922	91,185,928	7.7%
Total Non-Dedicated		219,967,953	223,056,008	1.4%
Dedicated				
Federal Aid		185,655,451	176,254,008	-5.1%
Other		5,900,212	3,653,352	-38.1%
Total Dedicated		191,555,663	179,907,360	-6.1%
Total Transportation Fund		411,523,617	402,963,368	-2.1%
Transportation Funds				
Other Revenues Non-Dedicated				
In Process	460000	(17,200)	0	
Dept of Corrections				
Accounts Receivable	110001	(32,773)	(93,050)	

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: July 14, 2008

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State of Vermont
Comparative Statement of Revenues
Education Fund
As of June 30, 2008

Ed Fund Schedule 2 June

	<u>Total to Date Last Year</u>	<u>Total to Date This Year</u>	<u>% of Change</u>
Non-Dedicated			
Estimated Revenues:			
Sales & Use	111,243,372	112,723,637	1.3%
Purchase & Use	26,872,727	26,346,229	-2.0%
Lottery Transfer	23,295,259	21,171,043	-9.1%
Investment Income	(1,284,028)	(1,371,496)	-6.8%
Total estimated revenues	<u>160,127,330</u>	<u>158,869,413</u>	<u>-0.8%</u>
Other Revenues:			
Education Property Taxes	877,588,129	798,904,652	-9.0%
Electric Energy Educ Prop Tax	1,900,000	1,945,534	2.4%
Medicaid Reimbursement	0	0	0.0%
Total other revenues	<u>879,488,129</u>	<u>800,850,186</u>	<u>-8.9%</u>
Total Education Fund	<u><u>1,039,615,459</u></u>	<u><u>959,719,600</u></u>	<u><u>-7.7%</u></u>

Note: Revenue Estimates are fiscal year total estimates.

Prepared by Department of Finance & Management

Date: July 14, 2008

Time: 16:22